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APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF THE GOVERNMENT OF BANGLADESH

Assistance to Selected Engineering Industries
(BGD/77/019)

Report to the Administrator*

Date of present approval:	January 1979
Starting date of project activities:	February 1979
Planned completion date:	December 1980
To be executed by:	United Nations Industrial Development Organization (UNIDO)
Government implementing agency:	Bangladesh Steel and Engineering Corporation (BSEC) (Ministry of Industries)
Estimated cost of assistance planned under present approval:	$ 347 800
Source of UNDP financing:	Special Measures Fund for Least Developed Countries

I. Background

1. The Bangladesh Steel and Engineering Corporation (BSEC) is a public sector corporation responsible for the management of about 42 operating units producing a variety of products which include tin containers, steel, ceiling fans, machine tools, electrical distribution equipment, diesel engines, small sea-going vessels and tugs. Since BSEC is heavily dependent upon imports of metal products the Government wishes to utilize its capital resources most effectively and improve BSEC's managerial and operational efficiency. The present project is designed to contribute towards this objective by strengthening the capabilities of the Planning and Implementation Division of BSEC and providing direct technical services to BSEC enterprises. This would enable BSEC to prepare more meaningful investment proposals and

* In accordance with General Assembly resolution 2688 (XXV) and subsequent authorizations of the UNDP Governing Council, reports are issued seriatim on the approval of UNDP assistance of $250,000 or more (including, if any, assistance financed by Government or by third-party cost-sharing).

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obtain more efficient use of capital machinery.

2. During an earlier UNDP/UNIDO project, Linkage Studies in Engineering Industries (BGD/75/002), it was found that there was considerable scope for improvements in the production practices of many units, which would result in more efficient use of installed machinery. The units also seemed likely to benefit from technical advice in quality control, maintenance and repair and general management which would reduce production costs and increase output. Advice was also needed for selection of new equipment and for the preparation of investment proposals. Since these activities were beyond the scope of the previous project, the need for further assistance was felt both by the Government and UNDP, resulting in the approval of this project. The need for this assistance was also supported by a study of the engineering industry made by the International Bank for Reconstruction and Development (World Bank).

II. Objectives and activities

3. The immediate objectives of the project are to provide training and technical services and assistance to selected BSEC enterprises for improving their operational efficiency and productivity and also the quality of their products. Project activities will include assessment of the major problem areas of the selected enterprises to provide a basis for a detailed project work programme. The skills of personnel and the existing methods of production planning, costing, budgeting and control, material testing, quality control, maintenance and service of machinery will be reviewed and analyzed, and recommendations to improve operations in these areas will be made and implemented.

III. Inputs

4. UNDP will provide, through the Executing Agency, the services of an industrial engineer, a material testing and quality control adviser and a maintenance and repair adviser, fellowships in engineering, costing, management and planning, and office equipment and vehicles.

5. The Government will provide qualified professional staff and support staff as required, office space, supplies and furniture.

IV. Financial data

6. The expenditure components of the planned assistance are as follows:

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Personnel	297 900
Training	30 000
Equipment	13 300
Miscellaneous	6 600
	347 800

7. The estimated total value, expressed in US dollars, of inputs provided directly by the Government to the project is $29,300 in kind.

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